IN THE SPECIFICATION

Please replace paragraph [0116] with the following amended paragraph:

--[0116] When it is determined at step S1 that the coding picture type is the Ipicture, the controller 185 is supplied with parameter information from the parameter input unit
187 at step S2 and determines whether or not the phase of a macro block in previous coding
agrees with the phase of a macro block of present coding referring to the information showing
the phases of the macro blocks included in the parameter information (for example, information
similar to v_phase and p_phaseh_phase in SMPTE 329M). When it is determined at step S2 that
the phase of the macro block in the previous coding does not agree with that of the present
coding, the processing goes to step S7 to be described later. —

Please replace paragraph [0142] with the following amended paragraph:

--[0142] When it is determined at step S21 that the coding picture type is the Ipicture, the controller 215 is supplied with parameter information from the parameter input unit
187 at step S22 and determines whether or not the phase of a macro block in previous coding
agrees with that of a macro block of present coding referring to the information showing the
phase of the macro blocks included in the parameter information (for example, information
similar to v_phase and p_phaseh_phase in SMPTE 329M). When it is determined at step S22
that the phase of the macro block in the previous coding does not agree with that of the present
coding, the processing goes to step S28 to be described later.--

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